

"Elasticities of Substitution and Returns to Scale in United States Manufacturing: Some Additional Evidence," **Southern Economic Journal**, October 1967.

"Cost Effectiveness Analysis for the 'War on Poverty'", in T.A. Goldman (ed.), **Cost-Effectiveness Analysis: New Approaches in Decision-Making**, Praeger, 1967 (with A.E. Fechter and A.C. Fisher).

**Evaluating the Returns to Regional Economic Development Programs**, Institute for Defense Analyses, B-272, 1966.

**Internal Prices as an Administrative Tool: An Application to the Military Air Transport Service**, Institute for Defense Analyses, S-200, 1965 (with M.J. Bailey, J.G. Cross, and W.P. Sewell).

"An Empirical Analysis of Commercial Bank Lending Behavior," **Yale Economic Essays**, Fall 1965.

### **Review Articles**

B. R. Litman, **The Vertical Structure of the Television Broadcasting Industry: The Coalescence of Power**, **The Antitrust Bulletin**, Fall 1982.

R. G. Noll, M. J. Peck, and J. J. McGowan, **Economic Aspects of Television Regulation** (with B.M. Mitchell), **Bell Journal of Economics and Management Science**, Spring 1974. An earlier version appeared as **Economic Analysis and Television Regulation: A Review**, The Rand Corporation, R-1398-MF, December 1973.

### **Reviews**

F.M. Fisher, **Industrial Organization, Economics, and the Law** (edited by John Monz), **Regulation**, 1991.

S.S. Wildman and S.E. Siwek, **International Trade in Films and Television Programs**, **Information Economics and Policy**, 1990.

G. W. Wilson, et al., **The Impact of Highway Investment on Development**, **Journal of Business**, 1967.

R. A. Gordon and L. Klein (ed.), **American Economic Association Readings in Business Cycles**, **Southwestern Social Science Quarterly**, 1966.

### **Other**

Witness, Subcommittee on Intellectual Property and Judicial Administration, Committee on the Judiciary, U.S. House of Representatives, 1991. Prepared statement and testimony appear in **Intellectual Property and International Issues**, 102nd Congress, 1st Session.

Witness, Subcommittee on Telecommunications and Finance, Committee on Energy and Commerce, U.S. House of Representatives, 1990. Prepared statement and testimony appear in **Cable Television Regulation (Part 2)**, 101st Congress, 2nd Session.

Witness, Subcommittee on Telecommunications, Consumer Protection, and Finance, Committee on Energy and Commerce, U.S. House of Representatives, 1983. Prepared statement and testimony appear in **Options for Cable Legislation**, 98th Congress, 1st Session.

Witness, Subcommittee on Communications, Committee on Commerce, Science, and Transportation, U.S. Senate, 1982. Prepared statement and testimony appear in **Cable Television Regulation**, 97th Congress, 2nd Session.

Witness, Subcommittee on Telecommunications, Consumer Protection, and Finance, Committee on Energy and Commerce, U.S. House of Representatives, 1981. Prepared statement and testimony appear in **Status of Competition and Deregulation in the Telecommunications Industry**, 97th Congress, 1st Session.

Witness, Subcommittee on General Oversight and Minority Enterprise, Committee on Small Business, U.S. House of Representatives, 1980. Prepared statement and testimony appear in **Media Concentration (Part 1)**, 96th Congress, 2nd Session.

Panelist, Session on "The Role of Competition in the Electronic Media," Federal Trade Commission Symposium on Media Concentration, 1978. Comments reprinted in Federal Trade Commission, Bureau of Competition, **Proceedings of the Symposium on Media Concentration**, Volume I.

Witness, Subcommittee on Communications, Committee on Commerce, Science and Transportation, U.S. Senate, 1977. Prepared statement and testimony appear in **Cable Television**, 95th Congress, 1st Session.

Witness, Subcommittee on Communications, Committee on Interstate and Foreign Commerce, U.S. House of Representatives, 1976. Prepared statement and testimony appear in **Cable Television Regulation Oversight - Part 1**, 94th Congress, 2nd Session.

**SERGE MORESI**  
Senior Associate

Ph.D.                    Economics, Massachusetts Institute of Technology

M.A.                    Economics, Université de Lausanne, Switzerland

**ACADEMIC POSITIONS**

1991–present        *Assistant Professor*, Georgetown University.  
Ph.D. courses: General Equilibrium Theory, Game Theory, Contract Theory  
B.A. courses: Microeconomic Theory, Applied Game Theory

Spring 1995        *Invited Professor*, Université de Lausanne, Switzerland.  
Graduate lectures on the microstructure of financial markets

Fall 1994            *Visiting Researcher*, University of Maryland, College Park, MD.  
Research on the competitiveness of decentralized markets

**CONSULTING EXPERIENCE**

*The Brattle Group*, Washington, DC. Spring/Summer 1997. Electricity industry restructuring projects include:

- Development of a simulation method to calculate Ramsey prices
- Review of the theoretical and empirical research on bidding in the UK power pool
- Reports on the UK experience and potential competitive problems
- Development of an auction procedure for bidding out Standard Offer Service obligation
- Analysis of the structure of the California power exchange

Other project experience:

- Antitrust case involving alleged price-fixing in the gasoline industry
- Regulatory treatment of market power in international satellite services
- Regulatory filing for alleged discrimination by a gas pipeline in favor of its retail affiliate

*World Bank*, Industry and Energy Division, Washington, DC. Summer 1994. Project work involved analysis of the international competitiveness of Morocco.



**SERGE MORESI — Page 2**

*State of Ticino, Switzerland. Summer 1989. Project work included econometric analysis of the housing rental market of the city of Bellinzona.*

**PUBLICATIONS**

“Decentralized Trading and the Walrasian Outcome: On the Importance of Search Costs.”  
Forthcoming in the *Journal of Economic Theory*.

“Front-Running by Mutual Fund Managers: A Mixed Bag.” With Jean-Pierre Danthine.  
Forthcoming in the *European Finance Review*.

“Optimal Taxation and Firm Formation: A Model of Asymmetric Information.” Forthcoming in  
the *European Economic Review*.

“Pure and Utilitarian Prisoner’s Dilemmas.” With Steven Kuhn. *Economics and Philosophy* 11  
(1995): 333–343.

“Volatility, Information, and Noise Trading.” With Jean-Pierre Danthine. *European Economic  
Review* 37 (1993): 961–982.

**COMPLETED MANUSCRIPTS**

“Information Acquisition and Research Differentiation Prior to an Open-Bid Auction.” March  
1998. Under revision for *International Journal of Industrial Organization*.

“Uncertain Lifetime, Risk Aversion, and Intertemporal Substitution.” January 1998. Submitted to  
*Economics Letters*.

“Optimal Consumption When Mortality Rates Are Not Constant: Time Consistency and the Role  
of Life Insurance Markets.” With John Cuddington. Working paper, No. 95-06, Georgetown  
University, September 1995.

“Insider Trading: Fundamentals-Information versus Trade-Information.” With Jean-Pierre  
Danthine. Working paper, No. 94-01, Georgetown University, March 1994.

“Intermediation in Markets with Sequential Bargaining and Heterogeneous Buyers and Sellers.”  
Ph.D. Thesis: Essay 1. MIT, June 1991.



**SERGE MORESI — Page 3**

“Enchères et Contrats Linéaires Optimaux.” M.A. Thesis: No. 12. DEEP, Université de Lausanne, Switzerland, February 1986.

### **WORK IN PROGRESS**

“Exclusive Dealing and Rent Extraction.” With Marius Schwartz and Francis O’Toole.

“Auctioning Short-Term and Long-Term Contracts.” With Ian Gale.

“Structure and Performance of Securities Markets: A Comparative Review of Basic Trading Models.”

“Intermediation in Search Markets.”

“Optimal Taxation and Firm Formation: A Model of Moral Hazard.”

### **REFeree**

*American Economic Review*

*Economic Theory*

*European Economic Review*

*International Economic Review*

*Journal of Economic Theory*

*Journal of Economics*

*RAND Journal of Economics*



## JOHN R. WOODBURY — Vice President

Ph.D.            Economics, Washington University (St. Louis)  
M.A.            Economics, Washington University (St. Louis)  
B.A.            Economics, College of the Holy Cross, *summa cum laude*

Dr. Woodbury's principal fields of expertise are industrial organization, regulation, antitrust, law, and economics. He is an expert in and has published on the economics of antitrust and regulation in broadcasting, cable, telecommunications, and other industries.

### PRIOR PROFESSIONAL EXPERIENCE

#### **Microeconomic Consulting and Research Associates, Inc. (formerly Competitive Analysis Group, ICF Consulting Associates)**

*Principal*, 1989–1992. Responsible for providing antitrust and regulatory advice to clients.

#### **Analysis Group**

*Research Associate*, 1989. Responsible for providing antitrust and regulatory advice to clients.

#### **Federal Trade Commission (1985–1989)**

*Associate Director for Special Projects*, Office of the Bureau Director, Bureau of Economics. Responsible for: initiating, conducting, and reviewing economic studies on Commission and other regulatory policies (including telecommunications); drafting speeches for the Chairman; and reviewing Bureau participation in FTC cases.

*Assistant Director for Rulemaking*, Division of Policy and Evaluation, Bureau of Consumer Protection. Responsible for managing the Commission's Rulemaking Agenda, and drafting recommendations to the Commission from the Bureau Director. Rules reviewed include Holder-in-Due-Course, Vocational Schools, Cooling-Off, and Funeral Rules.

*Deputy Assistant Director*, Regulatory Analysis, Bureau of Economics. Responsible for conducting or supervising studies or filings before regulatory agencies, including the Federal Communications Commission, the International Trade Commission, and the National Highway Traffic Safety Administration.

#### **National Cable Television Association**

*Vice President*, Department of Research and Policy Analysis, 1983–1985. Responsible for conduct or supervision of studies related to cable television, including consumer costs of the franchising process, deregulation of cable prices, effects of copyright fees on consumers, and the extent of competition with cable TV.



### **Federal Trade Commission**

*Senior Economist*, Regulatory Analysis Division, Bureau of Economics, 1982–1983.  
Responsible for broadcasting and telecommunications.

### **Federal Communications Commission (1979–1982)**

*Chief*, Economics Division, Common Carrier Bureau. Senior economic advisor to Bureau and Commission on common carrier policy. Directed 25 subordinates in policy analysis.

*Industry Economist*, Network Inquiry Special Staff. Responsible for the analysis of the program supply industry and the competitive impact of new broadcast technology.

### **Civil Aeronautics Board**

*Brookings Economic Policy Fellow* assigned to Office of Economic Analysis, 1978–1979.  
Responsible for the development of merger policy, international aviation policy, and service to small communities. Position: Assistant Chief, Policy Analysis Division.

### **State University of New York at Albany**

*Assistant Professor of Economics*, 1977–1978.

### **Federal Reserve Bank of New York**

*Economist*, International Research Department, 1975–1977. Responsible for assessing bank-reported capital flows and exchange-rate movements.

### **Southern Illinois University — Carbondale**

*Lecturer*, 1974–1975.

### **EXPERT WITNESS ACTIVITIES**

Expert Witness before the Illinois Commerce Commission, regarding the Proposed SBC/Ameritech merger. Prepared on behalf of Sprint Communications Company, L.P. July 1999.

Expert Witness before the Ohio Public Utilities Commission, regarding the Proposed SBC/Ameritech merger. Prepared on behalf of Sprint Communications Company, L.P. January 1999.

Expert Witness before the Illinois Commerce Commission, regarding the Proposed SBC/Ameritech merger. Prepared on behalf of Sprint Communications Company, L.P. January 1999.

Expert Witness to Copyright Arbitration Royalty Panel, Direct and Rebuttal Testimony, regarding the determination of reasonable rates for the digital performance of sound recordings. Prepared on behalf of Music Choice and DMX. June and July 1997.



Expert Witness to Copyright Arbitration Royalty Panel, Rebuttal Testimony, regarding the shares of Royalties due Copyright Claimants. Prepared on behalf of the Motion Picture Association of America. March 1996.

Expert Witness before the Copyright Royalty Tribunal, Rebuttal Testimony on the Value of Distant Signal Sports Programming. Prepared on behalf of the Motion Picture Association of America, December 1991.

Expert Witness preparation in five antitrust investigations, 1988–1992, on behalf of the FTC.

Expert Witness, FTC v. Elders Grain, Preliminary Injunction Proceeding, Sixth District Court. Testimony prepared on behalf of the FTC, June 1988.

Expert Witness before the International Trade Commission and Department of Commerce, Imports of Japanese Semiconductors. Testimony prepared on behalf of the FTC, 1986.

Expert Witness, Texas International/National/Pan American Acquisition Case and Continental/Western Acquisition Case. Testimony prepared on behalf of the Civil Aeronautics Board, 1978–1979.

#### **OTHER SELECTED CONSULTING ACTIVITIES**

Submitted a report, “An Economic Analysis of the Proposed Bell Atlantic/GTE Merger.” With Stanley M. Besen and Padmanabhan Srinagesh. To the Federal Communications Commission on behalf of Sprint Communications Company, L.P., 1998.

Submitted a report, “An Economic Analysis of the Proposed SBC/Ameritech Merger.” With Stanley M. Besen and Padmanabhan Srinagesh. To the Federal Communications Commission on behalf of Sprint Communications Company, L.P., 1998.

Submitted a report, “An Economic Analysis of the FCC’s Cable Ownership Restrictions.” With Stanley M. Besen. To the Federal Communications Commission on behalf of Tele-Communications, Inc., 1998.

Submitted a report, “Comments on Dertouzos and Wildman, ‘Programming Access and Effective Competition in Cable Television.’” With Stanley M. Besen. To the Federal Communications Commission on behalf of Tele-Communications, Inc., 1998.

Submitted a report, “An Economic Analysis of the Effects of Partial Ownership Interests in Cable Systems.” With Stanley M. Besen, Daniel P. O’Brien, and Serge X. Moresi. To the Federal Communications Commission on behalf of Tele-Communications, Inc., 1998.

Submitted a report, “A Response to Ameritech’s New Media’s ‘Allegations of a Price Squeeze’ by Vertically Integrated Cable Operators.” With Stanley M. Besen. To the Federal Communications Commission on behalf of Tele-Communications, Inc., 1998.





Submitted a report, "A Further Analysis of the Effects of Cable Diversion, Premium Service Buy Rates, and Volume Discounts on Primestar's Competitive Incentives: A Response to Dr. Rosston." With Steven C. Salop, Stanley M. Besen, and E. Jane Murdoch. To the Federal Communications Commission on behalf of PRIMESTAR Partners, L.P., 1998.



JOHN R. WOODBURY — Page 5

Submitted a report, "An Economic Analysis of the Impact of the WorldCom-MCI Merger on the Provision of Internet Backbone Services." With Stanley M. Besen and Padmanabhan Srinagesh. To the Federal Communications Commission and the European Commission on behalf of Sprint Corporation, 1998.

Submitted a report, "A Comparison of Primestar's Costs with Those of a Standalone Entrant." With Steven C. Salop, Stanley M. Besen, and E. Jane Murdoch. To the Federal Communications Commission on behalf of PRIMESTAR Partners, L.P., 1998.

Submitted a report, "An Economic Analysis of Primestar's Competitive Behavior and Incentives: Reply to the Oppositions." With Steven C. Salop, Stanley M. Besen, and E. Jane Murdoch. To the Federal Communications Commission on behalf of PRIMESTAR Partners, L.P., 1998.

Submitted a report, "An Economic Analysis of Primestar's Competitive Behavior and Incentives." With Steven C. Salop, Stanley M. Besen, and E. Jane Murdoch. To the Federal Communications Commission on behalf of PRIMESTAR Partners, L.P., 1998.

Conducted statistical and other analyses of anticompetitive allegations surrounding Time Warner's acquisition of Turner Broadcasting. Prepared on behalf of Tele-Communications, Inc. for presentation to the Federal Trade Commission, 1996.

Submitted a report, "Competitive Market Considerations in the Licensing of the 37-40 GHz Band." With Steven R. Brenner. To the Federal Communications Commission on behalf of WinStar Wireless, Inc., 1996.

Conducted statistical and other analyses of anticompetitive allegations surrounding the acquisition of CapCities/ABC by the Walt Disney Company. Prepared on behalf of the Walt Disney Company for presentation to the Department of Justice, 1995.

Assisted in the preparation of testimony for the DC District Court regarding the competitive effects of the "must-carry" rules imposed on cable systems, 1996.

Submitted a report, "A Competitive Markup Approach to Establishing Rates When Adding Cable Program Services." With Stanley M. Besen. To the Federal Communications Commission on behalf of Tele-Communications, Inc., 1994.

Submitted a report, "Exclusivity and Differential Pricing for Cable Program Services." With Stanley M. Besen and Steven R. Brenner. To the Federal Communications Commission on behalf of Tele-Communications, Inc., 1993.

Submitted a report, "An Analysis of Cable Television Rate Regulation." With Stanley M. Besen and Steven R. Brenner. To the Federal Communications Commission on behalf of Tele-Communications, Inc., 1993.



Evaluated the prospects for Direct Broadcast Satellites on behalf of a potential investor, 1992.

Assisted in the preparation of testimony on the value of distant signal programming to earth station owners on behalf of the Motion Picture Association of America, 1992.

Prepared estimates of the supply elasticity of crude oil production and a paper, with F. Warren-Boulton and K. Baseman, on the alternatives to traditional pipeline regulation for a pipeline client, 1991–1992.

Prepared analyses of liability and damage estimates, with F. Warren-Boulton, on behalf of NEC in a bid-rigging allegation and presented those analyses to Justice Department officials, 1991.

Prepared a report, “Economic Analysis and Policy Implications of the Financial Interest and Syndication Rule.” With F. Warren-Boulton. On behalf of the Motion Picture Association of America, 1990.

Submitted a report, “Assessing The Effect of Rate Deregulation on Cable Subscribers.” With Sherman and Baseman. To the Federal Communications Commission on behalf of the National Cable Television Association, 1990.

Submitted an affidavit, “Economic Implications of the Pac Tel/Chicago Waiver Request.” To the Department of Justice on behalf of the National Cable Television Association, January 1990.

Submitted an analysis of sham litigation allegations to the Justice Department on behalf of a software client, 1989.

## PUBLICATIONS

“Analyzing Vertical and Horizontal Cross Ownership in Cable Television: the Time Warner-Turner Merger (1996),” in J.E. Kwoka and L.J. White, *The Antitrust Revolution: Economics, Competition, and Policy*, Scott, Foresman. With S. Besen, E. Murdoch, D. O’Brien, and S. Salop. Third Edition, Oxford University Press, October 1998.

“Telecommunications in the US: Evolution to Pluralism.” With S. Besen and S. Brenner. In B. Lange (ed.), *ISDN in the USA, Japan, Singapore and Europe*, 1996.

“Market Structure, Program Diversity, and Radio Audience Size.” With R. Rogers. *Contemporary Economic Policy* 1996.

“Rate Regulation, Effective Competition, and the Cable Act of 1992.” With S. Besen. *Hastings Communications and Entertainment Law Journal*, 1994.

“Assessing Competition and Deregulation in Telecommunications: Some Observations on Methodology.” In B. Cole (ed.), *After the Breakup: Assessing the New Post-AT&T Divestiture Era*. New York: Columbia University Press, 1991.

“Deterrence and Justice.” With J. Bilmes. *Research in Law and Economics*, 1991.



"The First Amendment, Cable MTV, and the Must-Carry Rule: Towards a Cost-Benefit Analysis." *Proceedings of the Airlie House Conference on Telecommunications*, 1987.

"Video Competition and Consumer Welfare." In E. Noam (ed.), *Proceedings of the Arden House Conference on Video Competition*. New York: Columbia University Press, 1986.

*Misregulating Television*. With S. Besen, R. Metzger, and T. Krattenmaker. Chicago: University of Chicago Press, 1984.

"Regulation, Deregulation, and Antitrust in Telecommunications." With S. Besen. *Antitrust Bulletin*, Spring 1983.

"Determinants of Network Television Program Prices: Implicit Contracts, Regulation, and Bargaining Power." With S. Besen and G. Fournier. *Bell Journal of Economics*, Autumn 1983.

"Advertising, Price Competition, and Market Structure." With A. Arterburn. *Southern Economic Journal*, January 1981.

"Exchange Rate Stability and Monetary Policy." With B. Putnam. Albany Discussion Paper #95 in *Review of Economics and Business Research*, Winter 1980.

"Capital Market Integration Under Fixed and Floating Exchange Rates: An Empirical Analysis." *Journal of Money, Credit, and Banking*, May 1980.

#### OTHER COMPLETED RESEARCH

"Empirical Evidence on Efficiencies in the Common Ownership of Broadcast Stations." With K. Anderson. Comments on FCC Proceeding, 1991.

"Do Government-Imposed Ownership Restrictions Inhibit Efficiency?" *Working Paper of the Bureau of Economics*, No. 169, 1988.

"Over-the-Air Television and Cable Prices: An Econometric Inquiry." With M. Bykowsky. Served as basis of FCC decision deregulating cable prices, 1985.

"The Effect of Rate Regulation and Franchise Delay on Program Availability." With D. Koran. Comments on FCC Proceeding, 1985.

"Pricing Flexibility and Consumer Welfare: The Deregulation of Basic Cable Rates." NCTA White Paper, 1984.

"Economic Assessment of the Financial Interest and Syndication Rules." With K. Anderson. Comments on FCC Proceeding, 1983.

"Domestic Fixed Satellite Transponders Sales." Comments on FCC Proceeding, 1982.

*An Analysis of Television Program Production, Acquisition, and Distribution*. With R. Metzger. Network Inquiry Special Staff, Preliminary Report, Federal Communications Commission, June 1990.



“Production Abroad: Theoretical Considerations and Empirical Analysis.” Mimeo, 1978.

“Scale Economies in the Airline Industry: A Survey.” Mimeo, 1978.

## PRESENTED PAPERS

“Market Structure, Program Diversity, and Radio Audience Size.” With R. Rogers. Meetings of the Western Economics Association, July 1993.

“The Effects of Rate Deregulation on Cable Subscribers.” With K. Baseman. Policy Approaches to the Deregulation of Network Industries: An American Enterprise Institute Conference, October 1990.

“Economic Analysis and Policy Implications of the Financial Interest and Syndication Rule.” Telecommunications Policy Research Conference, Airlie House, October 1990.

“The Design and Evaluation of Competitive Rules Joint Ventures for Mergers and Natural Monopolies.” With F. Warren-Boulton. American Economic Association Meetings, December, October, 1990.

“Do Media Ownership Restrictions Reduce Economic Efficiency?” Telecommunications Policy Research Conference, Airlie House, November 1989.

“The Conflict Between Spectrum Efficiency and Economic Efficiency.” With R. Rogers. Telecommunications Policy Research Conference, Airlie House, November 1989.

“Regulation versus Antitrust.” Annenberg Conference: The Divestiture Five Years Later, March 1989.

“Regulating Cable Television.” Telecommunications Policy Research Conference, Airlie House, September 1987.

“An Empirical Analysis of Television Program Prices.” With S. Besen and G. Fournier. Meetings of the Southern Economic Association, November 1981.

“Flexible Exchange Rates and Market Integration.” With B. White. Federal Reserve System Conference on Financial Market Research, June 1979.

“Advertising, Price Competition, Market Structure.” With A. Arterburn. Meetings of the Southern Economic Association, November 1978.

“The Effects of Exchange Rate Systems on International Capital Market Integration.” With B. White. Federal Reserve System Conference on International Research, November 1977.

## OTHER PROFESSIONAL ACTIVITIES

Chair, “Competition between Cable Television and Telephone Companies.” Telecommunications Policy Research Conference, September 1991.



**JOHN R. WOODBURY — Page 9**

Discussant, "Competition and Ownership in the Media." Telecommunications Policy Research Conference, September 1991.

Chair, "Spectrum Management Session." Telecommunications Policy Research Conference, Airlie House, September 1988.

Book Review, *Productivity in the United States* by John Kendrick and Elliot Grossman, *Southern Economic Journal*, April 1981.

Discussant, "Deregulation of Telecommunications." Meetings of the Western Economic Association, July 1981.

Referee, *Southern Economic Journal*, *RAND Journal of Economics*, Harvard University Press.

**AWARDS**

Award for Excellence in Economics (FTC), 1988.

Competition Advocacy Award (FTC), 1987.

Brookings Economic Policy Fellow, 1978–1979.

SUNY Faculty Research Grant, 1978.

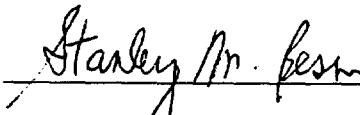
NSF Traineeship, 1973–1974.

Finalist, Woodrow Wilson Fellowship Competition, 1971.



**VERIFICATION**

I, STANLEY M. BESEN, declare under penalty of perjury that the foregoing  
is true and correct. Executed on September 17, 1999.

  
Stanley M. Besen

**VERIFICATION**

I, SERGE X. MORESI, declare under penalty of perjury that the foregoing  
is true and correct. Executed on September 17, 1999.



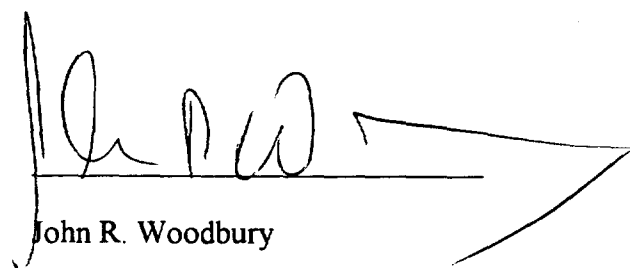
---

Serge Moresi



**VERIFICATION**

I, John R. Woodbury, declare under penalty of perjury that the foregoing  
is true and correct. Executed on September 17, 1999.

A handwritten signature in cursive script, appearing to read "John R. Woodbury", is written over a horizontal line. To the right of the signature, there is a large, stylized arrow pointing to the right.

John R. Woodbury

H

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of:	)	
	)	
Applications for Consent to the	)	
Transfer of Control of Licenses	)	
	)	
<b>MediaOne Group, Inc.,</b>	)	
Transferor	)	CS Docket No. 99-251
	)	
To	)	
	)	
<b>AT&amp;T Corp.</b>	)	
Transferee	)	

**DECLARATION OF  
MADISON BOND**

1. My name is Madison Bond. I am Executive Vice President, Programming, of AT&T Broadband and Internet Services ("AT&T BIS"). In that capacity, I oversee all negotiations between AT&T BIS and video programmers for the purchase of cable programming channels by AT&T BIS.
  
2. The purpose of this declaration is to respond to the allegations made by several incumbent local exchange carriers ("LECs") that post-Merger AT&T would be able to exercise "monopsony" power over video programmers and to foreclose cable programming channels by refusing to carry them. These claims fundamentally misapprehend the competitive realities of the marketplace in which AT&T BIS and other purchasers of video programming operate.

3. In fact, claims that purchasers of video programming have power over programmers have it backwards. In my experience, video programmers enjoy significant bargaining power and have used this power to require AT&T BIS and other purchasers of video programming to pay ever escalating rates.
4. The reasons for this are quite simple. The success of AT&T's cable service offerings critically depends on being able to provide customers with a competitive package of quality programming services. But most of these programming services have unique content and brand that cannot easily be duplicated (if at all).
5. If AT&T drops a channel that customers value, AT&T risks losing those customers to a competitive supplier that carries the channel. Many of our systems face competition from DBS, wireline and wireless competitors. It is important to understand that the economics of losing a customer are very different for a cable company than for a broadcast company that decides that the price of a particular program is too high. If the broadcast company says no to the programmer, it will certainly lose ratings and advertising revenues (losses that may or may not exceed the cost savings of not buying the program), but it will still have the ability to distribute all of the other programming it has purchased. If a cable company loses customers when it drops a channel, however, it loses the ability to distribute *any* of its programming to those customers. Thus, the need to acquire and retain ever-increasing amounts of unique programming substantially weakens any cable company's bargaining position with video programmers.

6. On the video programmer's side of the bargaining table, things are much different. Even including MediaOne within the AT&T family, if I were to refuse to carry a channel, the video programmer would still have plenty of other outlets for his product – not only other cable MSOs that serve more than 50 million subscribers, but also DBS providers that have the ability to serve *all* subscribers.
7. Video programmers are well aware of these alternative outlets for their product and the need MSOs have to purchase even more programming. Indeed, many of these programmers are large, sophisticated entities such as Disney, Fox and Viacom. These video programmers are therefore well-equipped to use competitive pressures to enhance their bargaining position.
8. Thus, those who claim that the AT&T merger with MediaOne will give AT&T the ability to harm video programmers are dead wrong. Many programmers offer no volume discounts at all. And for those that do, my experience is that the highest discount break-point is 8 to 10 million subscribers, much smaller than the combined size of AT&T and MediaOne.
9. Moreover, AT&T's cable programming costs have escalated at double-digit rates for the last several years, and the rates are likely to continue to escalate for the foreseeable future. License fees have been continually rising for virtually all channels, large and small alike. If AT&T (or any other MSO) had buying power, MSO consolidation would cause prices to drop, not rise.
10. There is also no merit to claims that AT&T BIS would, even if it could, favor video programmers in which Liberty Media holds an interest. My dealings with video

programmers in which Liberty Media holds an interest -- and I deal with the video programmers, not Liberty Media<sup>1</sup> -- are strictly arms-length. I have been advised that AT&T BIS receives no economic benefit from Liberty Media's success, and I act accordingly -- my programming decisions and my bargaining positions reflect my view of what is in the best interests of AT&T BIS, its shareholders and its subscribers.

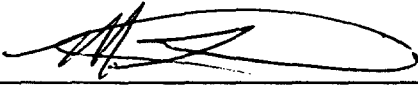
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<sup>1</sup> It is important to understand that Liberty Media is an investment company, not a video programmer -- Liberty Media holds equity interests in other companies that provide video programming. With very rare exceptions, the negotiations with these video programming networks have not involved any personnel from Liberty Media.

**VERIFICATION**

I, Madison Bond, declare under penalty of perjury that the foregoing is true and correct.

Executed on September 16, 1999.

A handwritten signature in black ink, appearing to be 'M. Bond', written over a horizontal line.

Madison Bond





Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

**RECEIVED**

OCT - 1 1999

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of:

Applications for Consent to the  
Transfer of Control of Licenses

**MediaOne Group, Inc.,**  
Transferor

To

**AT&T Corp.**  
Transferee

CS Docket No. 99-251

**Declaration of Susan Marshall**

1. My name is Susan Marshall. I am Senior Vice-President, Technology and Operations with AT&T Broadband and Internet Services, a division of AT&T Corp. ("AT&T"). I am responsible for all technical and operational aspects of the AT&T@Home service.

2. I am submitting this affidavit in support of the merger of AT&T and MediaOne Group, Inc. ("MediaOne"). The purpose of my affidavit is to respond to incorrect characterizations of the AT&T@Home service and AT&T's participation in the Internet and online services business that I understand were made in the comments filed by incumbent local telephone companies ("ILECs"), America Online ("AOL") and others in this proceeding.